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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In re:	Chapter 11
HARMAC CORP., *et al.*,[1]	Case No. 16-29568 (VFP)
	(Jointly Administered)
Debtors.	

FIRST AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DESCRIBING CHAPTER 11 PLAN PROPOSED BY THE DEBTORS-IN-POSSESSION

PLEASE READ THIS FIRST AMENDED DISCLOSURE STATEMENT CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION. THE DEBTORS BELIEVE THAT THIS PLAN IS IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND EQUITABLE. THE DEBTORS URGE THAT THE VOTER ACCEPT THE PLAN.

[1] The Debtors and the last four digits of their taxpayer identification numbers (as applicable) are as follows: HarMac Corp. (5126), Mary Street Housing, LLC (5437), 111 Cherry Street, Inc. (1414), 137 West 5th Associates, LLC (8599), 301 3rd Street LLC (6893). The address for all of the Debtors is 1429 Route 22 East, Mountainside, New Jersey.

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Debtors and Debtors-in-Possession

By: /s/ Richard D. Trenk
RICHARD D. TRENK

HARMAC CORP., ET ALS

By: /s/ Joseph Sinisi
JOSEPH SINISI

Dated: February 27, 2017

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I.

INTRODUCTION

HarMac Corp., Mary Street Housing, LLC, 111 Cherry Street, Inc., 137 West 5th Associates, LLC and 301 3rd Street, LLC ("Debtors") are the debtors and debtors-in-possession in the instant Chapter 11 bankruptcy cases. On October 13, 2016, Debtors commenced their bankruptcy cases by filing voluntary Chapter 11 petitions under the United States Bankruptcy Code (the "Code"), 11 U.S.C. § 101, et seq. Chapter 11 of the Code allows Debtors to propose a plan of reorganization.

The Plan may provide for Debtors to reorganize by continuing to operate, to liquidate by selling assets of the estates, or a combination of both. THE DOCUMENT YOU ARE READING IS THE FIRST AMENDED DISCLOSURE STATEMENT ("DISCLOSURE STATEMENT") FOR THE PLAN (the "Plan") WHICH IS ANNEXED HERETO AS **EXHIBIT "A."** This is a reorganizing plan.

A. Purpose of This Document

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

(1) WHO CAN VOTE OR OBJECT,

(2) THE PROPOSED TREATMENT OF YOUR CLAIM (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN A CHAPTER 7 LIQUIDATION,

(3) THE HISTORY OF THE DEBTORS AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,

(4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN,

(5) THE EFFECT OF CONFIRMATION, AND

(6) THE FEASIBILITY OF THE PLAN.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how this Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

Code Section 1125 requires a Disclosure Statement to contain "adequate information" concerning the Plan. The term "adequate information" is defined in Code Section 1125(a) as "information of a kind, and in sufficient detail," about debtors and their operations "that would enable a hypothetical reasonable investor typical of holders of claims or interests" of the debtors to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court ("Court") has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Code Section 1124.

This Disclosure Statement is provided to each creditor whose claim has been scheduled by Debtors or who has filed a proof of claim against Debtors as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

B. Confirmation Procedures

Persons Potentially Eligible to Vote on the Plan

In determining acceptance of the Plan, votes will only be counted if submitted by a creditor whose claim is duly scheduled by Debtors as undisputed, non-contingent and unliquidated, or who, prior to the hearing on confirmation of the Plan, has filed with the Court a proof of claim which has not been disallowed or suspended prior to computation of the votes on the Plan. The Ballot Form that you received does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you should check Debtors' Schedules, which are on file at the office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court, Martin Luther King Federal Building & Courthouse, 50 Walnut Street, Third Floor, Newark, New Jersey 07102. The Clerk of the Bankruptcy Court will not provide this information by telephone.

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTORS AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

1. Time and Place of the Confirmation Hearing

The hearing at which the Court will determine whether to confirm the Plan will take place on ______________ ____, **2017, at** __________ __**.m.**, in Courtroom 3D, United States Bankruptcy Court, Martin Luther King Jr. Federal Building & Courthouse, 50 Walnut Street, Third Floor, Newark, New Jersey 07102.

2. Deadline For Voting For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return the ballot in the enclosed envelope to Richard D. Trenk, Esq. at Trenk, DiPasquale, Della Fera & Sodono, P.C., 347 Mount Pleasant Avenue, Suite 300, West Orange, New Jersey 07052, on or before ______________, **2017**.

Your ballot must be received by ______________, **2017,** or it will not be counted.

3. Deadline For Objecting to the Confirmation of the Plan

Objections to the confirmation of the Plan must be filed with the Court and served upon Richard D. Trenk, Esq. at Trenk, DiPasquale, Della Fera & Sodono, P.C., 347 Mount Pleasant Avenue, Suite 300, West Orange, New Jersey 07052 by ______________, **2017**.

4. Identity of Person to Contact for More Information Regarding the Plan

Any interested party desiring further information about the Plan should contact Debtors' counsel, Richard D. Trenk, Esq. at Trenk, DiPasquale, Della Fera & Sodono, P.C., 347 Mount Pleasant Avenue, Suite 300, West Orange, New Jersey 07052, telephone (973) 243-8600.

C. Disclaimer

The financial data relied upon in formulating the Plan is based on Debtors' books and records. The information contained in this Disclosure Statement is provided by Debtors and their professionals. The Debtors represents that everything stated in the Disclosure Statement is true to the Debtors' best knowledge, information, and belief.

PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

II.

BACKGROUND

A. Description and History of Debtors

Joseph F. Sinisi, Jr. is the president of HarMac Corp. ("HarMac") and 111 Cherry Street, Inc. ("111 Cherry") and the managing member of Mary Street Housing, LLC ("MSH"), 137 West 5th Associates, LLC ("137 West") and 301 3rd Street LLC ("301 3rd"), the debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 bankruptcy cases.

The Debtors are owners of four residential rooming houses with a total of approximately 69 units and a commercial office building located in Union County (hereinafter, collectively referred to as the "Properties"). The rooming houses provide critical housing for low income individuals. Various social service agencies regularly refer clients to occupy the units. These agencies include Catholic Charities, Temporary Rental Assistance/Union County Social Services, YMCA, Salvation Army, Bridgeway, Trenton State Hospital, Trinitas Hospital, City of Elizabeth, St. Joseph Charities, Elizabeth Coalition, and Emergency Assistance of Elizabeth. The units consist of studios and shared living spaces, and most rents are subsidized.

HarMac is a corporation formed under the laws of the State of New Jersey. Joseph Sinisi is the president and owns 100% of the shares of HarMac. HarMac owns an office building consisting of approximately 4,600 square feet with four units, three of which are rented, located at 1429 US-22, Mountainside, NJ 07092 (the "HarMac Property"). The units are rented to State Farm Insurance and Green Energy Improvements. Better Homes Mountainside ("Better Homes"), an entity that Mr. Sinisi works with, also occupies the HarMac Property (approximately 400 square feet). Better Homes Mountainside is managed by Rose Marie Sinisi ("R. Sinisi"), Mr. Sinisi's spouse. Commencing November 1, 2016, Better Homes began paying rent at a rate consistent with that charged to the other HarMac tenants. A recent appraisal of the HarMac Property evidences a value of $765,000.[2]

MSH is a limited liability company formed under the laws of the State of New Jersey. Joseph Sinisi is the managing member and own 99% of the interests in MSH. The remaining 1% interest is held by R. Sinisi. MSH owns a rooming house located at 1163-1165 Mary Street, Elizabeth, New Jersey, which has 14 rental units that are fully occupied (the "MSH Property"). A recent appraisal of the property owned by MSH evidences a value of $720,000. MSH has an approximate potential gross income of $117,600 annually.

111 Cherry is a corporation formed under the laws of the State of New Jersey. Joseph Sinisi is the president and own 100% of the outstanding shares of 111 Cherry. 111 Cherry owns a rooming house located at 111-113 Cherry Street, Elizabeth, New Jersey, which has 14 rental units (the "111 Cherry Property"). A recent appraisal of the property owned by 111 Cherry evidences a value of $625,000. 111 Cherry has an approximate potential gross income of $100,800 annually.

137 West is a limited liability company formed under the laws of the State of New Jersey. Joseph Sinisi is the managing member and own 100% of the interests in 137 West. 137 West owns a rooming house located at 137 West 5th Avenue, Roselle, New Jersey, which has 20 rental units[3] that are fully occupied (the "137 West Property"). A recent appraisal of the property owned by 137 West evidences a value of $1,125,000. 137 West has an approximate potential gross income of $182,400 annually.

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[2] All appraisals were completed in November 2015 and were obtained by Financial Resources Federal Credit Union, the Secured Creditor.

[3] Approval is pending with the New Jersey Room and Boarding Division to extend the number of approved units to 24. Final inspections are anticipated shortly. A required window was installed on January 9, 2017.

301 3rd is a limited liability company formed under the laws of the State of New Jersey. Joseph Sinisi is the managing member and own 100% of the interests in 301 3rd. 301 3rd owns a rooming house located at 301 3rd Street, Elizabeth, New Jersey, which has 17 rental units that are fully occupied (the "301 3rd Property"). A recent appraisal of the property owned by 301 3rd evidences a value of $550,000. 301 3rd has an approximate potential gross income of $128,100 annually. The 301 3rd Property has a real estate tax lien of approximately $60,000.00.

B. The Debtors' Management

Joseph Sinisi is the president or managing member of each of the Debtors. He has approximately 40 years of experience in the real estate industry. Before the Chapter 11 filing, Better Homes Mountainside, a management company owned by Joseph Sinisi oversaw the operation of the Properties. In approximately 1978, during Joseph Sinisi's early 20's, he began his career as a mortgage loan officer. Mr. Sinisi currently possesses a loan originator license, a broker associate license for real estate and a real estate instructor's license, issued by the Department of Banking and Insurance. Joseph Sinisi is also currently affiliated with Inter-County Mortgage Network Corp., located in Mountainside, New Jersey.

Joseph Sinisi has an ownership interest in entities owning approximately fifteen properties, including the properties owned by the Debtors. These properties consist of single-family residences, multi-family residences, commercial units and parcels of land.

Joseph Sinisi is also active in community organizations. He has been a member of the Rotary Club of Mountainside, New Jersey for approximately 10 years. In 2011, he received the Paul Harris Award for Distinction in the Rotary Club as an exemplary Rotarian.

By Orders entered October 18, 2016 and November 17, 2016, Bulin Associates was retained as Property Manager for the Properties. Their retention provides that Bulin will collect all rents and other income from the Property; institute legal proceedings for the collection of rent or other income or dispossessing tenants; make or cause be made such ordinary repairs and/or alterations as is necessary; enter into any service contracts and pay for electricity, gas, telephone, extermination, security deposits for utilities, insurance premium financing and other services; pay any licensing, permitting or other fees required to maintain the rooming houses; prepare detailed monthly statements, including rent rolls, delinquencies, receipts, disbursements and all other documentation and information required by the Debtors in order to comply with the operating guidelines of the United States Trustee and/or to market and sell the Properties; and perform such other services in connection with the management of the Properties as may be necessary and appropriate.

Bulin agreed to a flat fee as follows: (a) \$500 per month for HarMac; (b) \$850 per month for MSH Property; (c) \$850 per month for 111 Cherry Street; (d) \$1,250 per month for 137 West Fifth Street; and (e) \$1,000 per month for 301 Third Street. In addition, Bulin was authorized to retain Blair Zwillman, Esq. to file and prosecute summary disposses actions at a flat fee cost of \$150 per tenant plus filing fees.

Bulin continues to manage the Properties. Bulin will continue as Property Manager post-confirmation.

C. The FRFCU Loans and Mortgages.

On June 18, 2009, HarMac entered into a note (the "HarMac Note") in the principal amount of \$600,000 with Financial Resources Federal Credit Union ("FRFCU"). In connection with the HarMac Note, HarMac granted FRFCU a mortgage lien on the HarMac Property (the "HarMac Mortgage"). Further, HarMac executed an Assignment of Rents and Landlord's Interests in Leases (the "HarMac Assignment of Rents").

On September 20, 2010, HarMac, 111 Cherry, 137 West and 19 Edgar St., LLC entered into a Line of Credit Note in the principal amount of $1.5 million with FRFCU (the "LOC"). In connection with the LOC, HarMac, 111 Cherry and 137 West granted FRFCU mortgage liens on their respective properties (each, the "HarMac LOC Mortgage," the "111 Cherry LOC Mortgage", and the "137 West LOC Mortgage"). HarMac, 111 Cherry and 137 West also entered into assignments of leases and rents.

On September 20, 2011, MSH entered into a note (the "MSH Note") in the principal amount of $550,000 with FRFCU. In connection with the MSH Note, MSH granted FRFCU a mortgage lien on the MSH Property (the "MSH Mortgage"). Further, MSH executed an Assignment of Rent's and Landlord's Interests in Leases (the "MSH Assignment of Rents").

On June 22, 2012, 301 3rd entered into a note (the "301 3rd Note") in the principal amount of $187,500 with FRFCU. On November 8, 2012, 301 3rd executed a Restated and Modified Note wherein the principal balance of the 301 3rd Note was increased to $468,750. In connection with the 301 3rd Note, 301 3rd granted FRFCU a mortgage lien on the 301 3rd Property (the "301 3rd Mortgage"). Further, 301 3rd executed an Assignment of Rent's and Landlord's Interests in Leases (the "301 3rd Assignment of Rents").

On June 1, 2015, each of the Debtors defaulted on their obligations to FRFCU under their respective note(s) and mortgage(s) by failing to make payment when due.

On September 4, 2015, FRFCU commenced an action in the Superior Court of New Jersey, Mercer Vicinage, Law Division captioned Financial Resources Federal Credit Union v. Mary Street Housing LLC, et al., Docket No. L-2034-15 (the "Law Division Action"). The Law Division Action sought a judgment on the MSH Note, 301 3rd Note, HarMac Note and the LOC.

On September 15, 2015, FRFCU commenced foreclosure actions in the Superior Court of New Jersey, Union Vicinage, Chancery Division captioned Financial Resources Federal Credit Union v. 301 Third Street LLC, Docket No. F-31473-15 (the "301 Foreclosure Action") and Financial Resources Federal Credit Union v. Mary Street Housing LLC, Docket No. F-31476-15 (the "MSH Foreclosure Action"). Through these actions, FRFCU seeks to foreclose on the MSH Mortgage and 301 3rd Mortgage.

On December 8, 2015, FRFCU commenced a foreclosure action in the Superior Court of New Jersey, Union Vicinage, Chancery Division captioned Financial Resources Federal Credit Union v. HarMac Corp., et al., Docket No. F-31687-15 (the "HarMac Foreclosure Action"). Through this action, FRFCU sought to foreclose on the HarMac Mortgage, the HarMac LOC Mortgage, the 137 LOC Mortgage and the 111 LOC Cherry Mortgage.

On June 10, 2016, an Order Granting Summary Judgment (the "Judgment") was entered in the Law Division Action. Judgment was entered against the Debtors in the following amounts:

DEBTOR	AMOUNT
MSH	$576,078.22
HarMac	$555,216.42 $1,599,150.75*
301 3rd	$496,296.76
111 Cherry	$1,599,150.75*
137 West	$1,599,150.75*

*This is one indebtedness under the LOC. On or about June 23, 2016 a closing occurred whereby 19 Edgar Street, LLC was sold to RIBKIB, LLC, a third party buyer. At the closing approximately $277,000 was paid to satisfy part of the $1,599,150.75 debt.

The Judgment was also entered against Joseph Sinisi, personally, in the total amount of $3,518,424.99.

On July 22, 2016, the Honorable Joseph P. Perfilio, J.S.C. entered identical orders in the HarMac Foreclosure Action, 301 3rd Foreclosure Action and MSH Foreclosure Action directing the Debtors and tenants of each respective property to turnover all rents to FRFCU (collectively, the "Rent Turnover Orders"). The Rent Turnover Orders also required Debtors to provide FRFCU with copies of all leases and rent rolls for the Properties. Further, the Rent Turnover Orders restrained and prohibited the Debtors and their principals from interfering with FRFCU's right to collect rents. Finally, the Rent Turnover Orders permitted FRFCU to file the appropriate dispossession actions in the event a tenant at any of the Properties failed to pay rental payments to FRFCU. Significantly, FRFCU was not required to pay any of the necessary operating expenses for the Properties in order to preserve the health and well-being of the tenants pursuant the Rent Turnover Orders.

After obtaining the Rent Turnover Orders, FRFCU posted notices at the Properties advising the tenants to pay all rents directly to FRFCU. In addition, the Debtors have paid to FRFCU any rents paid directly to them. FRFCU, however, did not been paying certain costs necessary to maintain the Properties, including the utilities. As a result, to ensure that the tenants were not left without any water, gas and electricity, Joseph Sinisi personally lent money to the Debtors, through payment of the utility bills, to ensure that the tenants are protected. The monies advanced include the following:

PAYEE	PROPERTY	AMOUNT
PSE&G	301 3rd Street	$ 186.90
PSE&G	301 3rd Street	$ 126.75
NJ American Water	137 W. 5th Avenue	$1,000.00
Elizabethtown Gas	137 W. 5th Avenue	$4,128.70

Thereafter, on or about September 13, 2016, FRFCU filed a Motion for Order Appointing Receiver, Compelling Turnover of All Rents, Profits, Security and Proceeds and Authorizing

Receiver to Offer for Sale the Mortgaged Real Property Pursuant to N.J.S.A. 2A:50-31 (the "Receivership Motions") in the HarMac Foreclosure Action, the MSH Foreclosure Action and the 301 3rd Foreclosure Action.

The Receivership Motions were scheduled to be heard on October 14, 2016. As a result of the Chapter 11 filinlgs, these motions were stayed and dismissed.

D. Events Leading to Debtors' Bankruptcy Filings.

Debtors, like many owners of large rental properties, have been severely affected by the weak economy, and more specifically, the failure of their tenants to make continuing payments on their monthly rent.

While the properties owned by the Debtors were substantially occupied, Debtors had severe issues with collectability of rent and subsequent evictions of tenants. The combination of lack of rent collection and inability to evict has left Debtors unable to cover the debt service on their respective mortgages.

As set forth above, after straining for months to make payments, the Debtors failed to make regular payments due on the various notes with FRFCU.

E. FRFCU Forbearance Agreement.

Rose Marie Sinisi owned certain non-debtor property located at Block 3, Lot 18, 1490 Route 22, Mountainside, New Jersey 07092. Ms. Sinisi entered into a Contract to sell the Property to Alpine at Mountainside, LLC of Woodbridge, New Jersey. Prior to the Chapter 11 filing, FRFCU had obtained a judgment against Ms. Sinisi with a balance of approximately $550,000. In order to convey title to Ms. Sinisi's Mountainside Property, and in order to obtain more time to restructure or liquidate the FRFCU Debt and the Debtors' properties, Ms. Sinisi and FRFCU entered into an Agreement whereby FRFCU received $664,934.74 at the closing of Ms.

Sinisi's Mountainside Property. A Forbearance Agreement was entered into and submitted to the Court for consideration.

On December 16, 2016, the Bankruptcy Court entered an Order Shortening Time to Approve the Forbearance Agreement. The hearing was scheduled for December 22, 2016 at 2:30 p.m. Notice of the Application for Approval of the Forbearance Agreement was forwarded to all Creditors and Parties-in-Interest in accordance with the Order Shortening Time. No objections were filed.

The Bankruptcy Court conducted a hearing on December 22, 2016 at which time the Bankruptcy Court determined that the Forbearance Agreement met the appropriate requirements under Fed. Rule of Bank. Proc. R. 9019(a). The Court entered an Order on December 22, 2016 approving the Forbearance Agreement. Docket Entry No. 82.

As a result of the Court Order, the closing occurred on December 29, 2016. At the closing, FRFCU was paid $664,935.74 in accordance with the Forbearance Agreement.

After the closing, FRFCU provided a revised payoff amounts indicating the following remaining obligations.

BORROWER	LOAN NO.	AMOUNT	PER DIEM
301 Third Street	61964	$437,281.72	$48.59
Mary Street Housing, LLC	60614	$508,398.46	$56.49
HarMac Corp.	58188	$515,558.69	$57.28
HarMac Corp.	62407	$1,126,457.28	$123.45
TOTAL		**$2,587,696.00**	**$285.81**

Debtors have recently received payment history and are attempting to resolve certain issues including but not limited to the following:

1. Between April and the Chapter 11 filing, FRFCU requested certain tenants to pay FRFCU directly. The Debtors have a schedule dated October 28, 2016 provided by FRFCU's counsel which reflects total rents collected of approximately $49,000.

2. Pursuant to the individual judgments obtained by FRFCU, certain state court levy and execution efforts occurred against Ms. Sinisi's individual bank accounts in the amount of approximately $772.08 and Joseph Sinisi's individual bank account in thea mount of $550.02, for a total of $1,322.10.

3. On October 31, 2016, the Debtors provided FRFCU of proof of insurance for 111 Cherry Street Corp. listing FRFCU as additional insured. Apparently, FRFCU failed to cancel its "forced" insurance and is attempting to access that fee against the Debtors.

4. The Debtors reserve all rights and remedies concerning objections to the FRFCU claim.

F. The Debtors' Chapter 11 Filings.

Debtors filed their voluntary Chapter 11 petitions on October 13, 2016 (the "Petition Date"). Debtors proposed to use its cash and future revenues in accordance with the debtors-in-possession operating budget.

Concurrently with the filing of its chapter 11 petition, Debtors have filed certain motions and proposed Orders (collectively, the "First-Day Orders"):

1. Motion for an Order Authorizing the Interim and Final Use of Cash Collateral

Debtors sought entry of an order authorizing the interim and final use of Cash Collateral in the ordinary course of its business. FRFCU objected based upon its position that it holds an absolute assignment of rents. The Debtors sought to use the rents and other revenues to pay the expenses necessary to protect the health, welfare and safety of their tenants. This motion was resolved by consent. Docket Entry 38.

2. **Debtors' Motion for a Bridge Order and a Final Order (i) Prohibiting Utility Companies From Discontinuing, Altering, or Refusing Service; (ii) Deeming Utility Companies to Have Adequate Assurance of Payment; and (iii) Establishing Procedures for Resolving Requests for Additional Assurance Pursuant to 11 U.S.C. §§ 105(a) and 366**

Debtors sought entry of (i) a Bridge Order, and (ii) a Final Order, pursuant to Sections 105(a) and 366 of the Bankruptcy Code, (a) prohibiting the Utility Companies from discontinuing, altering or refusing service to the Debtors, except as set forth herein, (b) deeming the Utility Companies adequately assured of future performance on the basis of payment of a two-week security deposit (the "Utility Deposit"), and (c) establishing procedures for resolving requests for additional assurance of payment.

In accordance with Bankruptcy Code section 366(c)(1)(A), Debtors proposed to provide additional assurance of payment to each utility company. By Order entered November 2, 2016, the Court authorized certain utility deposits which were paid. Docket Entry 47.

3. **Debtors' Motion for Authority to Continue to Use Existing Bank Accounts and Business Forms Pursuant to 11 U.S.C. §§ 105(a) and 363(c)**

Debtors have five (5) bank accounts with JP Morgan Chase (collectively, the "Bank Accounts"). In the ordinary course of its operations, Debtors receive deposits and issue checks, wire transfers and ACH transfers into and out of its Bank Accounts.

The Debtors also sought authority to continue to use their prepetition business forms including, but not limited to, letterhead, invoices, checks, *et cetera* (collectively, the "Business Forms"), without reference to their status as debtors-in-possession. Requiring the Debtors to immediately print new Business Forms would be burdensome, expensive, and disruptive. The Debtors will, however, either print or stamp "Debtor-in-Possession" on their checks, and when they replace stock, will obtain checks marked "Debtor-in-Possession."

By Order entered October 27, 2016, the Debtors were permitted to use their pre-petition operating accounts at JP Morgan Chase. The U.S. Trustee has filed an objection to the continued maintenance of these accounts because J.P. Morgan Chase is no longer a recognized depository for bankrupcy accounts. The objection shall be considered by the Court on January 26, 2017.

4. Insurance Premium Financing

The Debtors also seek approval of property insurance premium financing. R. Sinisi advanced $15,262.02 to ADP/Statewide Insurance to bind commercial general liability insurance and property coverage with Evanston Insurance Co. for MSH, 301 3rd, 111 Cherry and 137 West. By Order entered October 18, 2016, the premium financing was approved. Docket Entry 26. The periodic monthly payments have been made in accordance with the Court's Order.

G. Significant Events During the Bankruptcy

1. Bankruptcy Proceedings

The following is a chronological list of significant events which have occurred during this case:

On October 13, 2016 ("Filing Date"), Debtors filed for reorganization under Chapter 11 of the Code. Debtors' schedules and statement of financial affairs were filed simultaneous with Chapter 11 Petitions.

On October 14, 2016, Debtors filed an application to approve the retention of Trenk, DiPasquale, Della Fera & Sodono, P.C. ("Trenk DiPasquale") as his counsel, which was approved on November 8, 2016.

Debtors' Initial Debtor Interview and the first meeting of creditors were conducted pursuant to 11 U.S.C. §341(a) were conducted on November 23, 2016.

On October 14, 2016, Debtors filed an application to approve the retention of Lee Associates ("Lee") as real estate broker.

On October 18, 2016, the Court entered an Order authorizing joint administration of Debtors' cases pursuant to Fed. R. Bankr. Proc. R. 1015.

On December 14, 2016, Debtors filed a Motion to Approve Compromise under Bankruptcy Rule 9019 with Financial Resources Federal Credit Union (the "FRFCU"). The Motion sought approval of a forbearance agreement between the Debtors and FRFCU. The Forbearance Agreement was approved on December 22, 2016.

2. Procedures Implemented to Resolve Financial Problems

In an effort to remedy the problems that led to the bankruptcy filing, Debtors have among other things, continued to streamline expenses. Bulin Associates was designated as Management Company.

3. Current and Historical Conditions

Debtors are current on all post-petition obligations. Debtors' Monthly Operating Reports for October, November and December 2016 have been filed.

III.

SUMMARY OF THE FIRST MODIFIED PLAN OF REORGANIZATION

A. What Creditors Will Receive Under the Proposed Plan

The Plan classifies claims in various classes. The Plan states whether each class of claims is impaired or unimpaired. The Plan provides the treatment each class will receive. A copy of the Plan is annexed hereto as **Exhibit "A."**

B. Unclassified Claims

Certain types of claims are not placed into voting classes. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Debtors have not placed the following claims in a class.

1. Administrative Expenses and Fees

Administrative expenses are claims for costs or expenses of administering Debtors' Chapter 11 case which are allowed under Code Section 503(b). Fees payable to the Clerk of the Bankruptcy Court and the Office of the United States Trustee were also incurred during the Chapter 11 Case. The Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists all of the Debtors' unpaid administrative fees and expenses ("Compensation"), an estimate of future professional fees and other administrative claims and fees and their treatment the Plan:

NAME	AMOUNT ESTIMATED	TREATMENT	TYPE OF CLAIM
Trenk, DiPasquale, Della Fera & Sodono P.C.	**$125,000**	Payment in full on Effective Date, or through other agreement	Administrative
Office of U.S. Trustee Fees	TBD	Payment in full on Effective Date	Administrative
APPROXIMATE TOTAL	**$125,000 (estimated)**		

Court Approval of Professional Compensation Required:

Pursuant to orders of the Bankruptcy Court, the following professionals were retained: (a) Trenk DiPasquale, as counsel; (b) Bulin Associates as Property Manager; and (c) Lee & Associates as real estate broker.

Pursuant to the Bankruptcy Code, the Court must rule on all professional compensation and expenses listed in this chart before the compensation and expenses will be owed. The professional in question must file and serve a properly noticed fee application for compensation and reimbursement of expenses and the Court must rule on the application. Only the amount of compensation and reimbursement of expenses allowed by the Court will be owed and required to be paid under this Plan as an administrative claim.

Each professional person who asserts a further administrative claim that accrues before the confirmation date shall file with the Bankruptcy Court, and serve on all parties required to receive notice, an application for compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date of the Plan. Failure to file such an application timely shall result in the professional person's claim being forever barred and discharged. Each and every other person asserting an administrative claim shall be entitled to file a motion for allowance of the asserted administrative claim within ninety (90) days of the Effective Date of the Plan, or such administrative claim shall be deemed forever barred and discharged. No motion or application is required to fix the fees payable to the Clerk's Office or Office of the United States Trustee. Such fees are determined by statute.

As indicated above, Debtors will need to satisfy approximately $90,000 in administrative claims and fees on the Effective Date of the Plan after applying the remaining retainer funds.

2. Priority Tax Claims

Priority tax claims are certain unsecured income, employment and other taxes described by Code Section 507(a)(8). The Code requires that each holder of such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding five (5) years from the date of the assessment of such tax.

The IRS filed a priority claim in the amount of $100 against HarMac and $100 against 111 Cherry Street (the "IRS Claim"). The State of New Jersey, Division of Taxation has filed priority claims in the amount of $822.92 against HarMac. Debtors reserve the right to dispute these claims. In the event there is a determination that there are any priority taxes owed to IRS and the State of New Jersey, or other taxing authority, said claims will be satisfied in accordance with the requirements of Section 507(a)(8), with interest at the rate of three (3%) percent.

C. Classified Claims and Interests

1. Classes of Secured Claims

Secured claims are claims secured by liens on property of the estate.

CLASS	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	AMOUNT OWED	TREATMENT
1	Financial Resources Federal Credit Union ("FRFCU")	N	Y	$2,587,696[4] (approx.)	Debtors and FRFCU have agreed to satisfy the Claim as follows: • Interim payments of $15,962.37/mo through December 2017 with balloon on 12/31/17. • FRFCU's treatment shall be governed by the final Forbearance Agreement a copy of which is annexed hereto as Exhibit "B".

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders

[4] Debtors reserve all rights to challenge and object to FRFCU's claim.

may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims.

3. Class of General Unsecured Claims

General unsecured claims are uncollateralized claims not entitled to priority under Code Section 507(a). The following chart identifies this Plan's treatment of the class containing all of Debtors' general unsecured claims:

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	General unsecured claims • Total amount of claims = (this amount is still being determined in light of the fact that certain claims are subject to objection and reclassification, but are anticipated at approximately $100,000)	N	Y	Allowed Class 3 Claims shall be paid a *pro rata* distribution, based upon a distribution of $5,000 per year for five years, as follows: • Payment Interval = Five (5) Annual payments over five (5) years • Begin Date = the Effective Date • End Date = 5 years after the Effective Date • There shall be no prepayment penalty Total Payment = $25,000.00

4. Class of Interests

All equity interests will be extinguished and 100% of new equity issued to Rose Marie Sinisi for $25,000 to be infused on the Effective Date.

D. Means of Effectuating the Plan

1. Funding for the Plan

The Plan will be funded by Debtors' continued monthly income and, in Debtors' discretion, the sale of any real property owned by Debtors. There shall be no prepayment penalty for any claims referenced above. Debtors reserve the right to seek to conduct an auction sale for the Properties. Rose Marie Sinisi will infuse $25,000 in new value in order to obtain 100% equity in the Reorganized Debtors.

2. Disbursing Agent

The Reorganized Debtors shall act as the disbursing agent for the purpose of making all distributions provided for under the Plan. The Disbursing Agent shall not be compensated as set forth in the Plan.

E. Other Provisions of the Plan

1. Executory Contracts and Unexpired Leases

The Plan provides that all Executory Contracts and Unexpired Leases shall be assumed, unless expressly rejected. Debtors may seek to reject executory contracts until 60 days after the Effective Date.

All proofs of claim with respect to claims arising from said rejection must be filed with the Bankruptcy Court within the earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection or (ii) thirty (30) days after the Confirmation Date. Any such claims, proofs of which are not filed timely, will be barred forever from assertion.

2. Changes in Rates Subject to Regulatory Commission Approval

Debtors are not subject to governmental regulatory commission approval of their rates.

3. Retention of Jurisdiction

The Court shall retain jurisdiction of this case pursuant to the provisions of Chapter 11 of the Code, pending the final allowances or disallowances of all Claims effected by the Plan, and with respect to the following matters:

(a) To enable the Debtors to consummate the Plan and to resolve any disputes arising therefrom;

(b) To adjudicate all controversies concerning the classification, estimation or allowance of any Claim herein;

(c) To make such Orders as are necessary or appropriate to implement the provisions of this Plan;

(d) To determine the classification, estimation and priority of all claims against Debtors and to re-examine any Claims which may have been allowed;

(e) To determine applications for the rejection or assumption of executory contracts or unexpired leases pursuant to the provisions of this Plan which are not determined prior to the Confirmation date and to determine allowance of Claims for damages with respect to rejection of any such executory contracts or unexpired leases within such time as the Court may direct;

(f) To oversee and issue further appropriate orders respecting disbursement of amounts deposited as may be required by this Plan;

(g) To conduct hearings on valuation, as necessary, and to determine whether any party in interest is entitled to recover against any Person any Claim, whether arising under Section 506(c) of the Bankruptcy Code, or arising out of a voidable preference, a fraudulent transfer, or otherwise;

(h) To hear and determine all applications for compensation and other Administrative Expenses;

(i) To hear and determine any and all pending adversary proceedings or contested matters;

(j) To determine all causes of action which may exist in favor of Debtors;

(k) To determine any modification of the Plan after confirmation pursuant to Section 1127 of the Code;

(l) To enter any order, including injunctions, necessary to establish and enforce the rights and powers of Debtors under the Plan;

(m) To enter a final decree pursuant to Rule 3022 of the Bankruptcy Rules.

(n) To hear and determine all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the Plan;

(o) To hear and determine all controversies, suits and disputes, if any, as may arise with regard to orders of Bankruptcy Court in the Chapter 11 Case entered on or before the Confirmation Date;

(p) To hear and determine any and all controversies and disputes arising under, or in connection with, the Plan;

(q) To hear and determine any and all objections to payments under the Plan;

(r) To liquidate damages in connection with any disputed, contingent or unliquidated Claims;

(s) To adjudicate all Claims to a security or ownership interest in any property of Debtors or in any proceeds thereof;

(t) To adjudicate all causes of action to recover all assets and properties of Debtors wherever located;

(u) To enter any order, including injunctions necessary to enforce the title, rights and powers of Debtors, and to impose such limitations, restrictions, terms and conditions on such title rights and powers as the Bankruptcy Court may deem necessary or appropriate; and

(v) To make such orders as are necessary or appropriate to carry out the provisions of the Plan, including but not limited to orders interpreting, or enforcing the provisions thereof.

4. Procedures for Resolving Contested Claims

Debtors, the Disbursing Agents, and any other party in interest shall have sixty (60) days subsequent to confirmation to object to the allowance of claims. The bar date for submission of claims is February 21, 2017. Debtors reserve the right to object to any and all claims which have been or which may be filed.

5. Effective Date

The Plan will become effective on the Effective Date that is thirty (30) days after the date on which the order of confirmation becomes final.

6. Modification

The Debtors may alter, amend or modify the Plan at any time prior to the Confirmation Date and thereafter as provided in Section 1127(b) of the Bankruptcy Code.

F. Tax Consequences of Plan

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers to possible tax issues this Plan may present to Debtors. The Debtors CANNOT and DO NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

The following are the tax consequences that the Plan will have on the Debtors' tax liability: None anticipated.

G. Risk Factors

The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors. Based on the analysis of the risks summarized below, the Debtors believe that the Plan is viable and will meet all requirements of confirmation.

There are no known risks at this time other than the normal risks associated with operating a business.

IV.

CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The Debtors CANNOT and DO NOT represent that the discussion contained below is a complete summary of the law on this topic.

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan

Any party in interest may object to the confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan

A creditor has a right to vote for or against the Plan if that creditor has a claim that is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class.

a. What Is an Allowed Claim

As noted above, a creditor must first have an allowed claim to have the right to vote. Generally, any proof of claim will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim is filed, the creditor holding the claim cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim for voting purposes.

THE BAR DATE FOR FILING A PRE-PETITION PROOF OF CLAIM IN THIS CASE **IS** FEBRUARY 21, 2017.

A creditor may have an allowed claim even if a proof of claim was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtors' schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the claim.

b. What Is an Impaired Claim

As noted above, an allowed claim has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the members of that class 100% of their claim plus interest.

In this case, the Debtors believe that Classes 1 and 2 are impaired. Thus, holders of claims in Classes 1 and 2 are therefore entitled to vote to accept or reject the Plan. Parties who dispute the Debtors' characterization of their claim as being impaired or unimpaired may file an objection to the Plan contending that the Debtors have incorrectly characterized the class.

3. Who Is Not Entitled to Vote

The following four types of claims are not entitled to vote: (1) claims that have been disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Except as otherwise provided, claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

4. Who Can Vote in More Than One Class

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the secured part of the claim and another ballot for the unsecured claim.

5. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-accepting classes, as discussed later in Section (IV.A.8.).

6. Votes Necessary for a Class to Accept the Plan

A class of claims is considered to have accepted the Plan when more than one-half (½) in number and at least two-thirds (2/3) in dollar amount of the allowed claims that actually voted, voted in favor of the Plan.

7. Treatment of Nonaccepting Classes

As noted above, even if all impaired classes do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by the Code. The process by which nonaccepting classes are forced to be bound by the terms of the Plan is commonly referred to as "cramdown". The Code allows the Plan to be "crammed down" on nonaccepting classes of claims if it meets all consensual requirements except the voting requirements of Section 1129(a)(8) and if the Plan does not "discriminate unfairly" and is "fair and equitable" toward each impaired class that has not voted to accept the Plan as referred to in 11 U.S.C. §1129(b) and applicable case law.

8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)

The party proposing this Plan asks the Court to confirm this Plan by cramdown on impaired classes if any of these classes do not vote to accept the Plan.

B. Liquidation Analysis

Another confirmation requirement is the "Best Interest Test," which requires a liquidation analysis. Under the Best Interest Test, if a claimant is in an impaired class and that claimant does not vote to accept the Plan, then that claimant must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if Debtors' assets were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the debtors' assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien.

Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims.

In order for the Court to be able to confirm this Plan, the Court must find that all creditors who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The Debtors maintain that this requirement is met here for the following reasons:

Conversion of the case to Chapter 7 will substantially delay the dividend, if any, to creditors herein and result in an additional layer of administrative expenses associated with Chapter 7 Trustee's commissions and the professional fees of the Chapter 7 Trustee which will be paid before priority unsecured and general unsecured creditors receive their pro rata share of available estate assets. As such, Debtors believe that secured, priority unsecured and general unsecured creditors are better off by the reorganization of the estate assets and payment of the claims of creditors in accordance with their Chapter 11 Plan of Reorganization, as opposed to conversion of the case to a proceeding under Chapter 7. In Chapter 7 liquidation, general unsecured creditors will receive no dividend.

ASSETS	**Chapter 7 Liquidation**
Cash on Hand and Checking/Savings Accounts	$30,726.07[5]
Interests in Real Estate Entities:	
1429 US-22 Mountainside, New Jersey	$ 575,000[6]
1163-1165 Mary Street, Elizabeth, New Jersey	$ 540,000
111-113 Cherry Street, Elizabeth, New Jersey	$ 470,000
137 West 4th Avenue, Roselle, New Jersey	$ 845,000
301 3rd Street, Elizabeth, New Jersey	$ 415,000

[5] Bank Balance as of December 31, 2016.
[6] These amounts are liquidation amounts determined by Gallagher Appraisal Services, LLC as of November 10, 2015 at FRFCU's request.

TOTAL ASSETS	**$2,845, 000**
ADMINISTRATIVE AND PRIORITY CLAIMS	
Chapter 11 Administrative Fees	$ 150,000
Priority Tax Claims	$ 200
Capital Gains Tax Issues	$ unknown[7]
Chapter 7 Fees, including realtor commissions[8]	$ 284,500
TOTAL ADMINISTRATIVE & PRIORITY CLAIMS	**$ 434,700**
SECURED CLAIM	**$2,587,696**
AMOUNT AVAILABLE FOR UNSECURED CREDITORS	**$ 0**
UNSECURED CLAIMS	**$ 100,000**
Estimated Allowed Unsecured Claims	$ 100,000
TOTAL ANTICIPATED UNSECURED CLAIMS	**$ 100,000**

C. Feasibility

Another requirement for confirmation involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Debtors or any successor to Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether Debtors will have enough cash on hand on the Effective Date of the Plan to pay all the claims

[7] If a sale process occurs, the estate will likely incur a capital gains tax – federal and state. It is impossible to calculate this liability which is contingent on the sale prices, expenses of sale, basis, capital improvements during the Debtors' ownership and capital and other losses.

[8] Estimated Chapter 7 Trustee fees pursuant to Section 326(a) of the Bankruptcy Code, plus conservative estimation at six (6%) percent assumed of cost of sale for the assets, including realtor commissions.

and expenses that are entitled to be paid on such date. The Debtors maintain that this aspect of feasibility is satisfied as illustrated here, based upon the value of the Debtors' assets.

The second aspect considers whether the Debtors will have enough cash over the life of the Plan to make the required Plan payments.

The Debtors believe that this second aspect of the feasibility requirement is met since he is offering to satisfy unsecured creditors through payments spanned over five (5) years.

Debtors' financial projections are feasible in light of the financial records maintained by Debtors prior to and during the pendency of the bankruptcy case.

Accordingly, the Debtors believe, on the basis of the foregoing, that the Plan is feasible.

V.

EFFECT OF CONFIRMATION OF PLAN

A. Discharge

The Plan provides that upon confirmation of the Plan, Debtors shall be discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified in 11 U.S.C. § 1141. However, any liability imposed by the Plan will not be discharged. If Confirmation of the Plan does not occur or if, after Confirmation occurs, the Debtors elect to terminate the Plan, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall be deemed to constitute a waiver or release of any claims against Debtors or their estate or any other persons, or to prejudice in any manner the rights of Debtors or their estate or any person in any further proceeding involving Debtors or their estate. The provisions of the Plan shall be binding upon Debtors, all creditors and all equity interest holders, regardless of whether such claims or equity interest holders are impaired or whether such parties accept the Plan, upon Confirmation thereof. Moreover, any judgments docketed against Debtors or their real properties in the State of New Jersey and any county or subdivision thereof will be expunged upon confirmation of the Plan. The only known judgment against the real properties is held by FRFCU.

B. Release of Claims

1. Release

Except as otherwise expressly provided for in this Plan, the distributions and rights afforded in the Plan shall be complete and full satisfaction and release, effective as of the Effective Date, of all Claims against Debtors or any of their assets or properties of any nature whatsoever. Commencing on the Effective Date, except as otherwise expressly provided for in this Plan, all Claimants are forever releasing, waiving, and discharging and shall be precluded forever from asserting against Debtors of any other or further claims, obligations, suits, judgments, liens, encumbrances, damages, debts, rights, causes of action, and liabilities whatsoever arising on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business or affairs, this Chapter 11 Case, or the Plan, including but not limited to all principal and accrued and unpaid interest on the debts of Debtors based on any act or omission, transaction or other activity or security instrument or other agreement of any kind or nature occurring, arising or existing prior to the Effective Date, that was or could have been the subject of any Claim, whether or not Allowed; provided, however, that such release, waiver and discharge shall not apply in any respect to any acts or omission that are the result of fraud, gross negligence or willful misconduct by Debtors from the Petition Date to the Effective Date.

On and after the Effective Date, as to every Claim, every Holder of a Claim shall be precluded from asserting against Debtors for any further Claim based on any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Pursuant to Bankruptcy Rule 9019, confirmation of the Plan shall constitute, and all consideration distributed under this Plan shall be in exchange for and in complete satisfaction, settlement, and release of and an injunction against, all as of the Effective Date, any and all Claims, demands, allegations or causes of action, against Debtors and their accountants and attorneys for any liability for actions taken or omitted to be taken in good faith under or in connection with the Plan or in connection with the Chapter 11 case or the operation of Debtors during the pendency of the Chapter 11 case.

2. Settlement of Claims and Controversies; General Injunction

The provisions of the Plan shall constitute a good faith compromise and settlement of claims or controversies relating to the contractual and legal rights that a Holder of a Claim may have with respect to any Claim, or any distribution to be made on account of such an Allowed Claim.

Except as otherwise provided in the Plan, the Confirmation Order will provide that all persons and entities who have held, hold, or may hold Claims against Debtors are permanently enjoined, on and after the Confirmation Date, from (A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or taking any act to recover such Claim outside of the claims allowance procedure discussed in the Plan and the Bankruptcy Code and Bankruptcy Rules, (B) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against Debtors on account of any such Claim, (C) creating, perfecting or enforcing any encumbrance of any kind against Debtors or against the property or interests in property of Debtors on account of any such Claim and (D) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from Debtors or against the property or interests in property of Debtors on account of any such Claim.

C. Revesting of Property in Debtors

Except as provided in the Plan, the confirmation of the Plan revests all of the property of the estate in Debtors.

D. Modification of Plan

The Debtors may modify the Plan at any time before confirmation. However, the Court may require a new disclosure statement and/or revoting on the Plan if Debtors modifies the plan before confirmation.

The Debtors may also seek to modify the Plan at any time after confirmation so long as (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modification after notice and a hearing. Debtors further reserve the right to modify the treatment of any Allowed Claims at any time after the Effective Date of the Plan upon the consent of the Creditor whose Allowed Claim treatment is being modified, so long as no other Creditors are materially adversely affected.

E. Post-Confirmation Conversion/Dismissal

A creditor or party in interest may bring a motion to convert or dismiss the case under Section 1112(b), after the Plan is confirmed, if there is a default in performance of the Plan or if cause exists under Section 1112(b). If the Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revest in the Chapter 7 estate, and the automatic stay will be reimposed upon the revested property only to the extent that relief from stay was not previously granted by the Court during this case.

Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the Office of the United States Trustee post-confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.

F. Closing of Case

Upon satisfaction of the Claims against Debtors as provided in this Plan, the Case shall be closed. Nothing herein shall prevent Debtors from completing or instituting such proceedings as may be necessary for the enforcement of any claim of Debtors which may have existed against any third party before or which may exist after Confirmation which may have not been enforced or prosecuted prior to Confirmation.

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Chapter 11 Debtors and Debtors-in-Possession

By: /s/ Richard D. Trenk
RICHARD D. TRENK

HARMAC CORP., ET AL

By: /s/ Joseph Sinisi
JOSEPH SINISI

Dated: February 27, 2017

4831-8487-7120, v. 1